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BEFORE THE**ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATIONS OF) DOCKET NOS. SW-20445A-09-0077; W-02451A-09-
 GLOBAL WATER—PALO VERDE UTILITIES) 0078; W-01732A-09-0079; W-20446A-09-0080; W-
 COMPANY; VALENCIA WATER COMPANY—) 02450A-09-0081; AND W-01212A-09-0082
 GREATER BUCKEYE DIVISION; WILLOW)
 VALLEY WATER COMPANY; GLOBAL WATER-)
 SANTA CRUZ WATER COMPANY; WATER) **POST-HEARING BRIEF**
 UTILITY OF GREATER TONOPAH INC.; AND)
 VALENCIA WATER COMPANY- TOWN DIVISION)
 FOR PERMANENT BASE RATE INCREASES FOR)
 WATER SERVICE)

New World Properties ("NWP") hereby files its closing Brief in the above captioned matter. NWP is the owner and developer of a project commonly known as Copperleaf, which is a 1280 acre master planned development located in the Tonopah area. NWP executed an Infrastructure Financing and Coordinating Agreement ("ICFA") with Global Water Resource ("GWR" or "GLOBAL") with water service to be provided by Water Utility of Greater Tonopah ("WUGT") and sewer by Hassayampa Utility Company ("HUC"). Since the bulk of the testimony given over the course of the hearing focused on ICFA's and NWP is the only party in this matter that has a signed ICFA with Global, this brief will be limited to that subject matter.

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1 **INTRODUCTION**

2 Global filed an application for a rate increase for Water and Wastewater rates on
3 February 20, 2009. NWP filed for intervenor status on December 1, 2009 and was granted that
4 status on December 2, 2009 with the understanding that, due to the lateness of the filing, that no
5 new evidence would be allowed by NWP. The hearing commenced on December 14, 2010.
6

7 **ICFA**

8 As mentioned earlier, NWP is the only party to this matter that has executed an ICFA with
9 Global. In fact, GWR used NWP's ICFA as an exhibit when questioning Staff's witness, Linda
10 Jaress. (Hearing Transcript pg 848 lines 5-18 Testimony of L. Jaress). As was stated by Mr. Hill,
11 NWP approached GWR to come up with regional water and wastewater solutions. (Hearing
12 Transcript pg 63 Testimony of T. Hill). GWR used ICFA revenue to purchase small non
13 consolidated water and wastewater providers that were incapable of providing a regional
14 solution. (Hearing Transcript pg 848 lines 5 et seq Testimony of L. Jaress). GWR will use the
15 ICFAs as a financing tool to build the regional infrastructure and to cover the carrying costs of
16 that infrastructure. (Testimony of T. Hill, pg. 58, line 21 et seq). The ACC has a long standing
17 position of preferring a consolidated water and waste water utility that provides regional
18 solutions over small utilities that only provide water or wastewater. (See, i.e Woodruff Water
19 Company, Decision # 68453). NWP views ICFAs as a necessary means for GWR to implement
20 the Commission policy of consolidated utilities. It is for the above stated reasons that NWP
21 agrees with Global that ICFAs are in the public interest and the revenues from ICFAs should be
22 included in rate base as proposed by Global.

23 NWP does, however, have some concerns regarding the implementation of the ICFAs as it
24 relates to all parties being treated in a fair and uniform matter. In Staff's pre-filed direct
25 testimony, Ms. Jaress discusses how ICFAs do not treat "developers in a uniform manner." (Pre-
26

1 filed direct testimony of L. Jaress. P.8 line 16). Ms. Jaress further states that no developer has
2 complained to the ACC regarding unequal treatment. (Id. At lines19-20). However, when
3 development resumes in this area, there is a real possibility of unequal treatment of developers if
4 there is no mechanism in place to protect from such treatment. NWP advocates for a mechanism
5 to allow the Commission to ensure that all developers are treated in a uniform manner similar to
6 a Main Extension Agreement.

7
8 **CONCLUSION**

9 NWP adopts Global's position regarding the ratebasing of ICFA revenues because of the
10 overriding policy interests while at the same time suggests that the Commission ensure that all
11 developers are treated equally under the ICFAs.

12
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14 RESPECTFULLY SUBMITTED this 5th day of February, 2010.

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16 
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